

I. PROGRAM OVERVIEW

The purpose of this concept paper is to summarize the vision, objectives, program outline and industry support needs of the TennCare Centers of Excellence Program. After two years of research and development, the Bureau of TennCare has initiated a major outcomes-based quality improvement and intervention project to better evaluate health management practices within the TennCare Pharmacy Carve-Out Program. This new “TennCare Centers of Excellence Program,” seeks to better serve the needs of the 1.4 million individuals who are eligible for care under the Tennessee managed care Medicaid program by improving the quality of care and promoting efficient use of resources.

To help achieve these goals, TennCare has partnered with Applied Health Outcomes, a division of Navigant Consulting. Applied Health Outcomes is a well established healthcare consulting firm and outcomes research company with a national track record for measuring clinical and economic outcomes and developing effective strategies to improve quality of care. Along with TennCare staff, Applied Health Outcomes will work with leading physicians and other thought-leaders from Tennessee to design, develop and implement the Centers of Excellence Program. (See Appendix A for additional information on the role of Applied Health Outcomes.)

The Centers of Excellence concept, as described by Leo Sullivan, Director of Pharmacy Services for TennCare, will have appropriate care as the foundation. The first output from the program will be the release of a comprehensive “State of Quality Report” in September of this year. The report findings will be used by Tennessee-based physicians and other leading clinicians and thought-leaders within the state to prioritize the key disease states that could benefit from the implementation of evidence-based education and intervention programs. With a goal of improving the quality of healthcare for TennCare enrollees, it is expected that at least two major disease-based Centers of Excellence will be launched before year-end. Results from this important education and research project are expected to improve the care of TennCare patients and yield additional data to warrant expansion of the program to additional disease states next year.

A Board of Directors will serve as the Centers of Excellence Program governing structure. The board will be primarily comprised of Tennessee physicians, who will oversee and approve all activities of the program. In addition, each of the disease specific Centers will have a Steering Committee that is responsible for establishing the disease specific guidelines, implementing the pharmaceutical intervention and tracking the program outcomes. Steering Committee members will be made up predominantly of Tennessee physicians who are actively involved in the treatment or research of the targeted disease. (See appendix B for a graphic representation of the organizational structure.)

II. RATIONALE

One motivating factor leading to the implementation of this program has been the dramatic increase in both the utilization and costs of pharmaceuticals that the TennCare program has experienced over the last year. TennCare's Pharmacy Carve-Out Program, (which provides behavioral health pharmacy benefits for all 1.4 million TennCare enrollees and drug benefits for over 200,000 dual eligible patients), pays over \$60 million per month in prescription costs. In order to better evaluate these and other healthcare trends, TennCare is committed to implement the Centers of Excellence program to promote the efficient use of TennCare resources while simultaneously improving the quality of care for TennCare enrollees.

III. PROGRAM VALUE

Coordinated stakeholder efforts in implementing, supporting and managing the program will provide benefits to patients, physicians, health plans, program sponsors and TennCare. The value of the program, from the perspective of each stakeholder, is outlined below:

Program Sponsors

- Recognition as outcomes research and quality improvement partner with TennCare on all program output (newsletters, local / national presentations, publications, etc.)
- Access to baseline ("State of Quality Report") and on-going aggregate pharmaceutical utilization and outcomes data to determine potential market opportunities and demonstrate value
- Opportunity to interact and develop advocacy with other stakeholders (physicians, thought-leaders, MCO decision-makers, etc.) on Advisory Committee
- Opportunity to support the development of pharmaceutical intervention and quality improvement programs
- Opportunity to submit proposals for Center of Excellence Intervention Programs

Patients

- Access to improved quality of care
- Enhancement of health promotion and awareness
- Communication of individual intervention opportunities and evidence based guidelines to patient's physician
- Identification of potential drug-related problems
- Evidence to support appropriate resource utilization / availability for healthcare services
- Improvement of patient satisfaction

TennCare

- Ability to assess current and on-going quality of care, resource utilization and treatment outcomes
- Opportunity to demonstrate improved patient outcomes
- Improvement and/or justification of current pharmaceutical resource utilization
- Opportunity to achieve national recognition for innovation and quality improvement
- Creation of a model for future evidence based, data-driven endeavors
- Development of advocacy between Tennessee physicians, health care providers, policy makers and government officials

Tennessee Physicians and other Healthcare Providers

- Access to education on disease specific, evidence based prescribing guidelines
- Access to current and ongoing data and outcomes specific to TennCare dual eligible and behavioral health members
- Reduction in overall healthcare utilization due to reduced complications
- Opportunity to improve patient satisfaction
- Opportunity for participation in disease specific program development and oversight (Board of Directors, Steering Committee, etc.)
- Interaction with other TennCare providers and stakeholders
- Improvement in efficiency with TennCare patient management practices

Health Plans (MCO's and BHO)

- Improvement of pharmaceutical utilization and management
- Evidence of quality improvement for submission during NCQA accreditation review
- Establishment of a process for future HEDIS reporting
- Reduction in overall healthcare expenditures from improved prescribing patterns (TennCare patients and spill-over to commercial populations)
- Opportunity for participation in program development and oversight (Board of Directors, Steering Committee, etc.)
- Access to current and ongoing data and outcomes specific to TennCare dual eligibles and behavioral health members

IV. PROGRAM PARTNERSHIP OPPORTUNITIES

Since the TennCare Center of Excellence program will be funded externally, a number of partnership opportunities are available for interested organizations or companies. Applied Health Outcomes has a great deal of experience in working with providers / payers and pharmaceutical manufacturers or other funding sources to create mutually beneficial relationships in order to achieve specific quality improvement or outcomes research objectives. Sponsors will play an important role in the implementation of the TennCare Centers of Excellence Program. TennCare in collaboration with Applied Health Outcomes is seeking sponsorship in the form of \$100,000 Quality Improvement Grants to support the design, development and early implementation phases of the program.

The Centers of Excellence program has created an environment in which the program sponsors are viewed as partners in achieving TennCare's goals of improving quality and creating efficiencies. The program offers pharmaceutical companies and other program partners many opportunities for market expansion, outcomes research, and advocacy development through a quality partnership with TennCare. Upon completion of the baseline analysis ("State of Quality" Report) and subsequent disease prioritization / selection process, additional disease-specific opportunities for partner participation will be available in the fourth quarter of this year and in 2002. At the Center of Excellence level, program partners will be provided with opportunities to submit proposals outlining how their programs can meet the identified needs regarding the implementation of evidence based guidelines for the target disease.

Quality Partnership Grants are requested by September 2001. We would be pleased to discuss how Applied Health Outcomes can help meet your quality improvement, provider education and outcomes research objectives within the TennCare Center of Excellence Program. Please let us know what questions you may have about our progress to date or our plans for the future. We are available to meet with you in Nashville on August 27, 28 or 29 to discuss your interest in program sponsorship. For further information or to arrange a meeting, please contact:

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We look forward to working with you.

APPENDIX A

APPLIED HEALTH OUTCOMES RESPONSIBILITIES AND PROGRAM TIMELINE

Applied Health Outcomes is currently engaged in a “no cost” contract with TennCare to design, develop and implement the Center of Excellence Program. In order to accomplish the goals of this program, Applied Health Outcomes will be responsible for all aspects of research design, data analysis and reporting. The data warehouse system will provide timely and efficient retrieval of data requests (disease prevalence, drug utilization queries, cost analysis, outcomes assessment, etc) from disease centers and other entities qualified to access the data (academic institutions, research organizations, and qualified funding partners).

In consideration of the need for external funding, Applied Health Outcomes will also work with TennCare and the Board of Directors to develop and implement a successful collaborative partnership effort to fund all quality improvement, outcomes research, fraud & abuse and intervention initiatives. All remaining aspects of the program (i.e., internal / external communication, event planning, regulatory review, etc.) will be coordinated and managed by Applied Health Outcomes with oversight provided by TennCare and the Board of Directors.

The Center of Excellence Program will be implemented according to the following timeline:

Program Category	Expected Timeline
Phase I: Program Design	3rd Quarter 2001
Draft Criteria for Board of Directors	Approved – July 2001
Initiate Research Design	In Process – August 2001
Phase II: Program Development	3rd & 4th Quarter 2001
Conduct Program Launch Meetings	3 rd & 4 th Quarter 2001
Develop Data Analysis Plan	3 rd Quarter 2001
Implement Sponsorship Plan	3 rd Quarter 2001
Convene Board of Directors	3 rd Quarter 2001
Produce State of Quality Report	3 rd Quarter 2001
Prioritize / Select Disease Areas for Implementation	4 th Quarter 2001
Phase III: Program Implementation (Per Center)	Initiate 4th Quarter 2001 (ongoing)
Evaluate Baseline Data	4 th Quarter 2001 (ongoing)
Convene Disease Specific Steering Committee	4 th Quarter 2001 (ongoing)
Define QI Measures	4 th Quarter 2001 (ongoing)
Develop / Distribute Proposal	4 th Quarter 2001 (ongoing)
Select Intervention Partner	4 th Quarter 2001 (ongoing)
Implement Program	4 th Quarter 2001 (ongoing)
Measure Program Impact	Ongoing

APPENDIX B

Centers of Excellence Governance Structure

